

**FCC Appeal of USAC Decision**  
**St Louis City School District – BEN 136902 – FY2015**

May 8, 2017

Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554 *(submitted electronically via ECFS)*

**Appeal – CC Docket Nos. 96-45 and 02-6**

**USAC Appeal Decision Date:** March 15, 2017

**Form 471 Number:** 1004204

**Funding Request Number (FRN):** 2750404

**Funding Year:** 2015-2016

**Billed Entity Name:** St Louis City School District

**BEN:** 136902

**Contact Information:**

Contact Person Name:	Don Dietrich
Contact Person Phone:	314-378-1667
Contact Person Fax:	636-692-5958
Contact Person E-Mail:	<a href="mailto:ddietrich@e-rateprofessionals.com">ddietrich@e-rateprofessionals.com</a>

**Decision being appealed:** USAC's Denial of our Appeal Dated March 15, 2017 (our original appeal date was December 12, 2016).

**Text from USAC Denial Letter** (SLD Denial Letter is included as Att 1)

*"The price of eligible products and services was not the primary factor in the vendor selection process. FCC rules require that applicants select the most cost effective product and/or service's offering with price being the primary factor in the vendor selection process. In your appeal, you did not demonstrate that USAC's determination was incorrect. Therefore, the commitment has been rescinded in full. Consequently, your appeal is denied."*

**Background:**

This appeal represents the first year of a multi-year contract that began in FY2015. During a Selective Review for FY2016 we received notice that our FRN would be denied for the reasons similar to the statements above. We contested this and have not yet received a decision on FY2016. In the meantime we rec'd a COMAD for FY2015. We strongly disagree with the decision and requested SLD's reconsideration in a USAC Appeal filed on December 12, 2016. We recently received a denial of that USAC appeal and are requesting a reconsideration from the FCC.

# FCC Appeal of USAC Decision

## St Louis City School District – BEN 136902 – FY2015

**Details and Requested Action:** We are presenting no new evidence here – we are simply escalating our original appeal to the FCC for reconsideration.

During the Selective Review of the second year's application we received a request for details on this FRN from our reviewer (Dhara Patel). We provided a response (Att 3) and a copy of the new contract. We explained AT&T was our incumbent provider of these (PRI) services at the time we issued the Form 470. We used the (then) current invoice price as the incumbent's bid response. We attached a recent invoice from ATT (Att 4) showing the monthly price was \$2324 and the Charter proposal (Att 5) showing the price was \$1960. We received an additional SRIR notice that this FRN would be denied and we submitted a response contesting this action (Att 6). We have not yet received a funding decision on this FRN. We have also attached our Evaluation Spreadsheet (Att 7) and a copy of the Item 21 from our SP (Att 8).

We are basing this appeal on fairness. As we understand the SLD rules regarding bid evaluations, the purpose of making the price of eligible products and services the primary factor in the vendor selection process is to assure that the inclusion of ineligible items does not allow a higher-priced selection of eligible items. That is not the case here. The removal of the ineligible items from the comparison only makes our case stronger. The monthly price of the eligible items is \$1500 not \$1960 and compares more favorably to the existing AT&T price of \$2324. We admit that the Contract/Bid response from the SP does contain some ineligible items (DID lines etc) but they are small in comparison and if you will also examine the Item 21 provided by the SP – it includes eligible taxes and fees that total almost the same monthly amount. SLPS was comparing only the PRI circuit prices when evaluating this proposal – i.e. the monthly cost of the PRI circuits. We knew that Charter was cheaper than AT&T so it was an easy decision. SLPS was making every effort to save itself and the SLD money by selecting the most cost-effective provider. The fact that we made an error is not sufficient cause to deny funding.

We request that SLD re-examine this decision and reverse it. We are in the second year of a three year contract that provides the same services at a cheaper price than previously. That is the stated purpose of the SLD's rules on competitive bidding and we have followed the spirit of that rule.

**Summary and Requested Action:**

DPS made every effort to follow SLD guidelines and advisories in the evaluation of these providers. In addition, the denial of this FRN has resulted in severe financial hardship for our district. We request that FCC reconsider our application based on the arguments above and approve this Funding Request.

We appreciate your time and consideration.

Sincerely,

*(filed electronically via SLD website)*

Don Dietrich, E-Rate Consultant to SLPS

Telephone: 314-378-1667

[ddietrich@e-rateprofessionals.com](mailto:ddietrich@e-rateprofessionals.com)

# FCC Appeal of USAC Decision

St Louis City School District – BEN 136902 – FY2015

Included below:

Att 1: USAC's Denial of SLPS Appeal dated March 15, 2017

Att 2: SLPS Appeal to SLD dated December 12, 2016 – 17 pages

Including all attachments below:

Att 1: COMAD Letter dated 10/20/16

Att 2: Signed LOA for BTU Consultants

Att 3: SRIR Response dated 08-11-16

Att 4: ATT Pricing for PRI Mar15

Att 5: Charter Proposal FY2015

Att 6: SRIR Response dated 08-25-16

Att 7: Form 470 PRI Eval 2015

Att 8: Charter Item 21 details 2015

*(submitted electronically via ECFS)*



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2015-2016**

March 15, 2017

Don Dietrich  
BTU Consultants, LLC  
4 Media Court  
St Louis, MO 63146

Re: Applicant Name: ST LOUIS CITY SCHOOL DISTRICT  
Billed Entity Number: 136902  
Form 471 Application Number: 1004204  
Funding Request Number(s): 2750404  
Your Correspondence Dated: December 12, 2016

After review of the information and documentation provided, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's decision to adjust the funding commitment amount for the FCC Form 471 Application and funding request number(s) (FRN(s)) referenced above. This letter provides an explanation for USAC's decision. The date of this letter also begins the sixty (60) day time period for appealing this decision. If your Letter of Appeal included more than one FCC Form 471 Application Number, please note that you will receive a separate decision for each funding application.

Funding Request Number(s): 2750404  
Decision on Appeal: **Denied**  
Explanation:

- During the appeal review of your FCC Form 471# 1004204 you requested reversal of the COMAD decision to seek recovery of improperly disbursed funds. It has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. In your appeal, you did not demonstrate that USAC's determination was incorrect. Therefore, the commitment has been rescinded in full. Consequently, your appeal is denied.
- FCC rules require that applicants select the most cost-effective products and/or services offering with price being the primary factor. Applicants may take other

factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. *See* 47 C.F.R. sec. 54.511(a); also, Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407, 26429, FCC 03-313 para. 50 (rel. Dec. 8, 2003). Ineligible products and services may not be factored into the cost-effective evaluation. *See* Common Carrier Bureau Reiterates Services Eligible for Discounts to Schools and Libraries, CC Docket No. 96-45, Public Notice, 13 FCC Rcd 16570, DA 98-1110 (rel. Jun. 11, 1998).

If you wish to appeal this decision, you may file an appeal pursuant to 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:  
<http://www.usac.org/sl/about/program-integrity/appeals.aspx>.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

**USAC / SLD Appeal**  
**St Louis City School Dist - BEN 136902**

FCC Appeal Att 2  
SLDs Appeal to USAC  
with all Attachments  
17 pages

December 12, 2016

SLD Appeals – *Submitted Online*  
Schools and Libraries Division — Correspondence Unit  
100 South Jefferson Road  
P.O. Box 902  
Whippany, New Jersey 07981

**Re: Letter of Appeal - Case # 22-924978** (filed electronically)

**Contact Information:**

Contact Person Name:	Don Dietrich
Contact Person Phone:	314-378-1667
Contact Person Fax:	636-692-5958
Contact Person E-Mail:	<a href="mailto:ddietrich@e-rateprofessionals.com">ddietrich@e-rateprofessionals.com</a>

**Other Required Information:**

Funding Year:	2015
Applicant Name:	St Louis City School District
Billed Entity # :	136902
Form 471 Application#:	1004204
FRN #	2750404
Service Provider Name	Charter Advanced Services (MO), LLC
Service Provider SPIN:	143037016

**SLD action being appealed**

We are appealing the COMAD letter dated October 20, 2016 reducing the funding for this FRN. This COMAD is based on the Selective Review Information Request (SRIR) of the FY2016 FRN. We have not yet rec'd a decision on FY2016 Funding.

*After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. The cost of ineligible products and services included in the evaluation of the "Total Price and Cost Effectiveness of Solution" factor rather than a separate factor on vendor evaluation score sheet. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.*

**Background and basis for this appeal**

This appeal represents the first year of a multi-year contract that began in FY2015. During a Selective Review for FY2016 we received notice that our FRN would be denied for the reasons above. We contested this and have not yet received a funding decision on FY2016. In the meantime we rec'd this COMAD for FY2015. We strongly disagree with the decision and request SLD's reconsideration.



**USAC / SLD Appeal**  
**St Louis City School Dist - BEN 136902**

**Details and Requested Action:**

During the Selective Review of the second year's application we received a request for details on this FRN from our reviewer (Dhara Patel). We provided a response (Att 3) and a copy of the new contract. We explained AT&T was our incumbent provider of these (PRI) services at the time we issued the Form 470. We used the (then) current invoice price as the incumbent's bid response. We attached a recent invoice from ATT (Att 4) showing the monthly price was \$2324 and the Charter proposal (Att 5) showing the price was \$1960. We received an additional SRIR notice that this FRN would be denied and we submitted a response contesting this action (Att 6). We have not yet received a funding decision on this FRN. We have also attached our Evaluation Spreadsheet (Att 7) and a copy of the Item 21 from our SP (Att 8).

We are basing this appeal on fairness. As we understand the SLD rules regarding bid evaluations, the purpose of making the price of eligible products and services the primary factor in the vendor selection process is to assure that the inclusion of ineligible items does not allow a higher-priced selection of eligible items. That is not the case here. The removal of the ineligible items from the comparison only makes our case stronger. The monthly price of the eligible items is \$1500 not \$1960 and compares more favorably to the existing AT&T price of \$2324. We admit that the Contract/Bid response from the SP does contain some ineligible items (DID lines etc) but they are small in comparison and if you will also examine the Item 21 provided by the SP – it includes eligible taxes and fees that total almost the same monthly amount. SLPS was comparing only the PRI circuit prices when evaluating this proposal – i.e. the monthly cost of the PRI circuits. We knew that Charter was cheaper than AT&T so it was an easy decision. SLPS was making every effort to save itself and the SLD money by selecting the most cost-effective provider. The fact that we made an error is not sufficient cause to deny funding.

We request that SLD re-examine this decision and reverse it. We are in the second year of a three year contract that provides the same services at a cheaper price that previously. That is the stated purpose of the SLD's rules on competitive bidding and we have followed the spirit of that rule.

Sincerely,

*(filed electronically via SLD website)*

Don Dietrich, E-Rate Consultant to SLPS

Telephone: 314-378-1667

[ddietrich@e-rateprofessionals.com](mailto:ddietrich@e-rateprofessionals.com)

Included below:

Att 1: COMAD Letter dated 10/20/16

Att 2: Signed LOA for BTU Consultants

Att 3: SRIR Response dated 08-11-16

Att 4: ATT Pricing for PRI Mar15

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Att 6: SRIR Response dated 08-25-16

Att 7: Form 470 PRI Eval 2015

Att 8: Charter Item 21 details 2015



Notification of Commitment Adjustment Letter

Funding Year 2015: July 1, 2015 - June 30, 2016

October 20, 2016

CHERYL VANNOY  
ST LOUIS CITY SCHOOL DISTRICT  
801 N 11TH STREET  
ST LOUIS, MO 63101

Re: Form 471 Application Number: 1004204  
Funding Year: 2015  
Applicant's Form Identifier: SLPS CAT1 2015  
Billed Entity Number: 136902  
FCC Registration Number: 0012021234  
SPIN: 143037016  
Service Provider Name: Charter Advanced Services (MO), LLC  
Service Provider Contact Person: Marcia Evans

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.



TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
  - Billed Entity Name,
  - Form 471 Application Number,
  - Billed Entity Number, and
  - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to [appeals@sl.universalservice.org](mailto:appeals@sl.universalservice.org) or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal  
Schools and Libraries Program - Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

## FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program  
Universal Services Administrative Company

cc: Marcia Evans  
Charter Advanced Services (MO), LLC

Funding Commitment Adjustment Report for  
Form 471 Application Number: 1004204

Funding Request Number: 2750404  
Services Ordered: VOICE SERVICES  
SPIN: 143037016  
Service Provider Name: Charter Advanced Services (MO), LLC  
Contract Number: SLPS.PRI  
Billing Account Number:  
Site Identifier: 136902  
Original Funding Commitment: \$14,217.00  
Commitment Adjustment Amount: \$14,217.00  
Adjusted Funding Commitment: \$0.00  
Funds Disbursed to Date \$7,897.97  
Funds to be Recovered from Applicant: \$7,897.97  
Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. The cost of ineligible products and services included in the evaluation of the "Total Price and Cost Effectiveness of Solution" factor rather than a separate factor on vendor evaluation score sheet. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

## Att 2: Signed LOA

1 page

### E-Rate LOA (Letter of Agency)

To Whom It May Concern:

We have retained BTU Consultants, LLC under contract as Independent Consultants to serve as our agent for working with E-Rate issues for **Funding Year 2016 and all prior years** in all areas of Telecommunications, Internet Services and Internal Connections. They will be assisting us in compliance issues and forms preparation. Their contact information is shown below:

BTU Consultants, LLC (Don Dietrich, Lori Thompson, Carol Underriner)		
SLD Consultant Registration Number: 16049611		
4 Media Court	or	1293 Pinehurst Club Ct
St. Louis, MO 63146		O Fallon, MO 63366
Phone: 314-983-0292		Phone: 636-294-7117
Fax: 314-983-0415		Fax: 636-294-2188

Please accept their comments, statements and signatures on our behalf.

This LOA is in effect from signing through 9/30/2016.

Thank you.

Signature of District Authority:



Date:

7/13/2015

Printed Name / Title:

Cheryl L. VanNoy, Executive Director—Information Technology

School District Name:

St. Louis City School District

Billed Entity Number:

136902

cc: BTU Consultants, LLC

**SLPS SLD Appeal Attachment 3 – response to SRIR**  
**1 page**

From SRIR email exchange dated 08-11-2016

**V. Application# 161016365- FRN 1699046019: (Charter PRI)**

- a) In your previous response you have indicated 2 bid response received for PRI service requested in FRN 1699046019. One of the two bid response is AT&T. However, response doesn't include copy of bid response from AT&T.

Please provide copy of bid response from AT&T for FRN 1699046019.

SLPS Response: AT&T was our incumbent provider of these services at the time we issued the Form 470. We used the (then) current price as the bid response. We have attached the March 2015 Invoice from ATT (see file "FRN 1699046019 ATT Pricing for PRI Mar15") showing the monthly price was \$2324 and the Charter price was \$1960.

- b) As per FCC form 471 Application# 161016365, service requested under FRN 1699046019 is a contracted service. However, your response didn't include copy of contract for FRN 1699046019. Please provide copy of contract for FRN 1699046019 to support the contract award date 03/09/2015 as entered in FCC form 471.

SLPS Response: Attached is the Charter PRI Contract from FY2015.



at&t

# Monthly Statement

ST LOUIS PUBLIC SCHOOL  
ATTN MARY WANTZ  
801 N 11TH ST  
SAINT LOUIS MO 63101 - 1015

Att 4: ATT Pricing for Page 1 of 2

Account Number 314 A25-3007 608 2

Billing Date Mar 9, 2015

PRI Mar 15

Web Site att.com

FRN 1699046019 - The two highlighted lines below represent a total of 5 PRI lines with a monthly cost of (\$1482+842=)\$2324.

*OK'd pay  
Cheryl Vant  
John to pay  
the bill*

## Bill-At-A-Glance

Previous Consolidated Bill 198,368.26  
Payment Received-2-23 4,332.93CR  
Adjustments .00  
Past Due- Please Pay Immediately 194,035.33  
Current Charges 34,183.54  
**Total Amount Due \$228,218.87**  
Current Charges Due in Full by Apr 7, 2015

## Billing Summary

Billing Questions? Visit [att.com/billing](http://att.com/billing) Page

Plans and Services .00  
1 800 321-2000  
Service Changes:  
1 800 321-2000  
Repair Services:  
1 800 286-8313  
Individual Account Summary 1 34,183.54  
**Total Current Charges 34,183.54**

\$34,183.54 Total Current Charges  
- \$16,270.75 OptiMan Charges  
**\$17,912.79 Total Local Line Charges**

**\$17,912.79 Local Line Charges**  
x 14% ERate  
**\$2,507.79 ERate Payment**

**\$2,507.79 Local (ERate)**  
+ \$2,277.91 OptiMan (ERate)  
**\$4,785.70 Total ERate Payment**

## Individual Account Summary

### Consolidated Summary of Current Charges

Account Number	Plans and Services	Other Providers	Taxes	Total Charges
314 121-0008 716	16,270.75	.00	.00	16,270.75
314 121-0070 638	57.33	.00	.00	57.33
314 121-0091 223	1,481.76	.00	.00	1,481.76
314 121-8798 215	842.01	.00	.00	842.01
314 121-8820 262	5,393.30	.00	.00	5,393.30
314 231-3720 064	4,509.16	.00	.00	4,509.16
314 241-5485 398	225.42	.00	.00	225.42
314 241-5495 422	112.71	.00	.00	112.71
314 241-5543 432	112.71	.00	.00	112.71
314 241-5568 480	112.71	.00	.00	112.71
314 352-1839 698	112.71	.00	.00	112.71
314 352-1841 709	225.42	.00	.00	225.42
314 352-1846 733	112.71	.00	.00	112.71
314 352-1862 740	112.71	.00	.00	112.71
314 352-1885 250	225.42	.00	.00	225.42
314 352-1906 265	112.71	.00	.00	112.71
314 361-0200 673	112.71	.00	.00	112.71
314 361-8461 550	225.42	.00	.00	225.42
314 367-2612 822	112.71	.00	.00	112.71
314 371-4628 748	112.71	.00	.00	112.71
314 381-0234 613	112.71	.00	.00	112.71
314 383-0329 625	225.42	.00	.00	225.42
314 383-0356 658	112.71	.00	.00	112.71
314 383-0380 637	225.42	.00	.00	225.42
314 383-0387 661	112.71	.00	.00	112.71
314 383-0389 663	112.71	.00	.00	112.71
314 383-0421 685	112.71	.00	.00	112.71
314 385-3043 765	112.71	.00	.00	112.71
314 385-3070 766	112.71	.00	.00	112.71
314 535-0098 648	112.71	.00	.00	112.71
314 535-0120 654	112.71	.00	.00	112.71
314 535-2511 187	91.73	.00	.00	91.73
(688)				
314 577-6215 692	112.71	.00	.00	112.71
314 577-6228 728	112.71	.00	.00	112.71
314 646-8074 963	111.67	3.68	.00	115.35
314 646-8104 733	111.67	.00	.00	111.67
314 646-8753 679	112.71	.00	.00	112.71
314 652-2653 269	112.71	.00	.00	112.71
314 652-2690 064	112.71	.00	.00	112.71
314 652-2720 468	225.42	.00	.00	225.42
314 652-2764 507	112.71	.00	.00	112.71
314 652-2915 064	225.42	.00	.00	225.42
314 684-4887 329	112.71	.00	.00	112.71
314 721-2504 535	112.71	.00	.00	112.71
314 771-1254 111	91.73	.00	.00	91.73
314 772-3643 937	125.35	38.75	.00	164.10
314 773-1935 008	112.71	.00	.00	112.71
(MANN ELEMENTARY ELEVATOR)				

Local Services provided by AT&T Arkansas, AT&T Kansas, AT&T Missouri, AT&T Oklahoma, or AT&T Texas based upon the service address location.

GO GREEN - Enroll in paperless billing.

Printed on Recyclable Paper

Return bottom portion with your check in the enclosed envelope.





January 21, 2015

Mrs. Cheryl VanNoy, Executive Director of Technology Services  
 St. Louis Public School System  
 801 N. Eleventh Street  
 St. Louis, MO 63101

Dear Cheryl,

Thank you for the opportunity to propose PRI voice services for the St. Louis Public School District. We understand your requirements to include:

- Minimum of 3 PRIs, up to 6 PRIs
- 700 DIDs
- White page listings for the schools (83 locations assumed)

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## **SERVICES/FEATURES**

This proposal includes your requested speeds at 36 month pricing. We would be happy to provide other options should you desire. All pricing is before E-Rate discounts.

### **Telephone T1/PRI Services**

The Voice Trunk T1/PRIs will be provided with a gateway device that will be added to the fiber demarcation point at the Administration Building that connects to your PBX. The PRIs each support 23 channels of telephone traffic to the District. Pricing has been provided for 3, 4, 5 and 6 PRIs

This offer includes a bundled long distance option when purchased with our PRIs.

The monthly investment also includes the management, monitoring and maintenance of the service 24/7/365. You will receive a reference directory after turn-up that includes the pertinent information, contacts and escalation information in the unlikely event it is needed.

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## **BENEFITS TO WORKING WITH CHARTER BUSINESS®**

Charter Business® is a unit of Charter Communications®, Inc., one of the nation's leading broadband communications companies. Leveraging the national reach of our parent company's broadband network, we provide business customers with reliable, secure, cost-effective communications solutions for Fiber Internet, Data Networking, and T1-PRI services, as well as Internet, telephone, and cable TV.

Charter Communications has also obtained Metro Ethernet Forum (MEF) Certification, an organization that is committed to developing technical specifications and implementation agreements to promote interoperability and deployment of Carrier Ethernet worldwide.

### **Charter Business operates its own state-of-the-art network:**

- You can avoid the frustration and finger pointing that can result from patchwork solutions.
- We own and operate that network down to the very last mile.

### **Customer Care and Technical Support:**

- The Charter Business Network Operations Center monitors the network and is dedicated to supporting customers with optical-based services. Our technicians assist with test and turn-up of new services, proactively monitor network performance, and perform advanced troubleshooting if needed.

- If a service need should arise that cannot be resolved by our 24/7/365 technical support line, we can mobilize local technicians and have them on site quickly.
- Our Business-Class Service Centers are U.S. based and staffed with highly trained customer service representatives and technical support personnel so you can get the help you need 24/7/365, wherever you are, by calling 866.603.3199.

**Our technology allows us to offer scalable service:**

- While many companies provide only enough capacity to meet immediate requirements, Charter Business includes room for growth in every system we design.
- We offer Fiber Internet from 10 Mbps up to 10 Gbps and optical Ethernet from 10 Mbps to 10 Gbps.
- We can change your bandwidth quickly and easily, usually without any additional construction or even a site visit.
- A single fiber connection for data, internet, voice communications and/or video eliminates the need to maintain multiple networks or manage multiple vendors.

**With Charter Business Voice Trunk, you get:**

- Scalable support for offices with large numbers of employees and generating a high volume of calls.
- Simplified pricing and hassle-free scalability
- Seamless integration with most PBX systems
- Retention of all your current telephone equipment and phone numbers
- Local and long-distance service on one Voice Trunk connection
- Direct inward dialing (DID)

**INVESTMENTS**

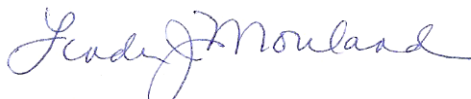
Service	Initial Installation Investment	Monthly Investment 36 Months
Three (3) PRIs with 5,000 minutes of LD included: 700 DIDs 83 White Page Listings Remote Number Forward for Nance	\$ 0.00	\$ 900.00 35.00 410.00 15.00
<b>Total Monthly</b>		<b>\$ 1,360.00</b>
Four (4) PRIs with 5,000 minutes of LD included: 700 DIDs 83 White Page Listings Remote Number Forward for Nance	\$ 0.00	\$ 1,200.00 35.00 410.00 15.00
<b>Total Monthly</b>		<b>\$ 1,660.00</b>
Five (5) PRIs with 5,000 minutes of LD included: 700 DIDs 83 White Page Listings Remote Number Forward for Nance	\$ 0.00	\$ 1,500.00 35.00 410.00 15.00
<b>Total Monthly</b>		<b>\$ 1,960.00</b>
Six (6) PRIs with 5,000 minutes of LD included: 700 DIDs 83 White Page Listings Remote Number Forward for Nance	\$ 0.00	\$ 1,800.00 35.00 410.00 15.00
<b>Total Monthly</b>		<b>\$ 2,260.00</b>

Prices above are before E-Rate discounts and do not include taxes and fees. These prices will remain in effect through July 15, 2015 and are based on the monthly terms shown above, subject to these contingencies:

- Final engineering, design, and site visits.
- Complete terms & conditions are provided in our service contract and at [www.charter-business.com](http://www.charter-business.com).

I'm confident that these options will provide the flexibility and reliability that you need to depend on for your fiber internet services. We look forward to enhancing the services you have trusted to Charter Business!

Sincerely,



Linda J. Moreland  
Major Accounts Executive – K12 and Libraries

941 Charter Commons Drive	Town & Country, MO 63017	<a href="mailto:linda.moreland@charter.com">linda.moreland@charter.com</a>
Phone: (636) 387-6607	Cell: (636) 299-2571	Fax: (636) 220-7385

The terms of this proposal are confidential and should not be disclosed directly or indirectly to any third party, except as may be required by law. If you and/or your agents or representative makes any unauthorized disclosure, Charter shall be entitled to damages arising from such unauthorized disclosure, as well as to injunctive relief.

This proposal is for discussion purposes only and is not intended to give rise to binding obligations for either party. Any contractual relationship between us will be the result of formal negotiations and will become effective only upon execution of contract by representatives of the parties authorized to enter into such agreements. During any negotiations, each party will bear its own costs and will not be responsible for any costs or expenses of the other party, unless separately agreed to in writing. The offer herein proposed by Charter is contingent upon Customer's acceptance of Charter's standard terms of service.

*©2010 Charter Communications. All trademarks belong to their respective owners. Services not available in all areas. All pricing and services provided subject to terms of applicable tariff and subscriber agreement and subject to change. Other restrictions and limitations may apply. Taxes and franchise, installation and other fees apply. Actual amounts may vary depending on services ordered. Always contact Charter for verification of current rates, services and terms and conditions. Local Alternate Voicemail access number is not available in all areas. Discounted rates may be available on a service term commitment basis. Internet speeds may vary.*

**SLPS Response: Please see our responses below:****Application# 161016365 FRN 1699046019:**

FRN 1699046019 will be denied because price of eligible products and services was not the primary factor of the eligible products and services in your vendor selection process. It is clear that the price evaluated includes ineligibles on the “Total Price and Cost Effectiveness of Solution” factor. The cost of ineligible products and services can be included in the bid evaluation matrix as long as it is a separate factor and is not included with the eligible portion of the products and services as the primary factor.

Program rules require that applicants must select the most cost-effective provider of the desired products and services eligible for support, with price as the primary evaluation factor. Since you did not meet this requirement, this FRN must be denied. For additional guidance on vendor selection, please refer to the USAC website at <http://www.usac.org/sl/applicants/step02/evaluation.aspx>.

FRN 1699046019 is part of a multi-year contract established in Funding Year (FY) 2015 with a Contract Award Date of 03/10/2015 and a Contract Expiration Date of 6/30/18. Committed FY 2015 FCC Form 471#1004204 Funding Request Number (FRN) 2750404 relies on the same contract/bidding process and the commitment amount for the FRN will be rescinded in full. Any future funding year FRNs which rely on the same contract/bidding process will also be subject to the same denial.

If the FRN should not be denied and you have alternative information, please provide the supporting documentation. Please note that such documentation must be dated on or before the close of the FCC Form 471 filing window in order for USAC to consider it. If you would like to provide any additional explanation to support your position, type your explanation and attach the explanation and/or documentation into your response by using the Add Document button. If you agree with the proposed action, click the “Submit” button to clear this item from your Pending Inquiries.

**SLPS Response: We disagree with your conclusion that we included ineligibles in our evaluation. We provided the invoice from the incumbent vendor (AT&T) that showed a monthly cost of \$2324 and the price from the selected vendor (Charter) of \$1960. We believe that in fact the monthly price from AT&T was slightly higher than the \$2324 and have requested CSR's (Customer Service Records) to validate this, but we don't have them yet. We do feel that the invoice we sent you validates the \$2324/mo.**

**We understand that the total price quote from Charter that we provided included some non-eligible items - but removing them makes our case even stronger. The eligible prices of the PRI lines from Charter are \$1500/mo**

(\$300/line vs AT&T at approx. \$465). While we understand your basis for this argument, your conclusion is not accurate. The eligible portion of the Charter lines are much cheaper than the eligible services from AT&T.

We did make a mistake in calculating the FRN amount on this FRN and we are requesting that you remove the ineligible portion of the FRN (\$445/mo) and reduce the FRN pre-discount amount to \$1515.

3 to 6 PRI Lines to support voice traffic for the district. Provide unit pricing.

Price for 5 PRI Lines (Monthly)

Total Score

Total Price and Cost Effectiveness of Solution

Meeting Overall Requirements

Vendor's Experience. Customer Support and Billing

Technical Merits

Demonstrated Ability to work with E-Rate

MWBE Participation

Business Cost of Cutover

Comments

30

20

10

10

10

10

10

AT&T \$ 2,515.50 80

Charter \$ 1,960.00 85

Both are 3 year Contracts

20	20	10	10	10	0	10	
30	20	10	10	10	0	5	Difficulties with exisitng Local Voice adds and deletes
							Charter is only recently offering PRI services - questions on quality of service

Cutover of 115 lines (5 PRIs) risks the entire SLPS network downtime



## Item 21 Recommendation

The following information is provided for your convenience and should assist you in completing the Item 21 Attachment required for USAC funding. This information is based on our knowledge of the services ordered from Charter and should not be considered representative of all information required to receive funding through the E-Rate program.

**Please provide us with your completed copy of the Item 21 Attachment you filed with USAC, which will allow us to better assist with PIA reviews.**

Taxes, fees and surcharges presented are estimates for information only and are subject to change.

<b>Customer:</b>	St. Louis City School District (136902)
<b>Funding Year:</b>	2015
<b>FRN:</b>	
<b>Service Provider Identification Number (SPIN):</b>	Charter Advanced Services (MO), LLC (143037016)
<b>Service Type(s):</b>	Voice Services
<b>Description of Service(s):</b>	PRI

### Services Eligible for Funding

Product/Service	Total # of Sites	Monthly Recurring	Annual Total	One Time Charge
PRI - T1 Phone Lines	1	\$1,500.00	\$18,000.00	\$0.00
Long Distance	1	\$0.00	\$0.00	\$0.00
Line Access Fee	1	\$100.00	\$1,200.00	\$0.00
State PUC Fee	-	\$0.03	\$0.36	\$0.00
Telephone Sales Tax	-	\$155.97	\$1,871.64	\$0.00
Local License Tax	-	\$135.44	\$1,625.28	\$0.00
Regulatory Cost Fee	-	\$2.57	\$30.84	\$0.00
FUSF	-	\$19.77	\$237.24	\$0.00
SUSF	-	\$1.50	\$18.00	\$0.00
State Deaf Tax	-	\$6.00	\$72.00	\$0.00
Federal Excise Tax	-	\$50.23	\$602.76	\$0.00
<b>Total Cost</b>		<b>\$1,971.51</b>	<b>\$23,658.12</b>	<b>\$0.00</b>

**Services Ineligible for Funding**

<b>Product/Service</b>	<b>Total # of Sites</b>	<b>Monthly Recurring</b>	<b>Annual Total</b>	<b>One Time Charge</b>
DIDs	1	\$125.00	\$1,500.00	\$0.00
Additional Listing	1	\$430.00	\$5,160.00	\$0.00
Telephone Sales Tax	-	\$51.78	\$621.36	\$0.00
Local License Tax	-	\$44.75	\$537.00	\$0.00
SUSF	-	\$.56	\$6.72	\$0.00
Federal Excise Tax	-	\$3.75	\$45.00	\$0.00
<b>Total Cost</b>		<b>\$655.84</b>	<b>\$7,870.08</b>	<b>\$0.00</b>

Prepared By: Brad Steinhoff

Date: 4/3/15